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MCC FOR APPLGARTH, HEWKO, HARRINGTON, AND
HERING MCC ALSO FOR BRIGGS AND GAULL
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SUBJECT: MCC CEO PAUL APPLGARTH'S VISIT TO
MOZAMBIQUE, 20-24 OCTOBER 2004

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1. (U) SUMMARY: DURING A FOUR-DAY VISIT, MILLENNIUM CHALLENGE CORPORATION CEO PAUL APPLGARTH AND HIS TEAM MET WITH PRESIDENT CHISSANO, SENIOR GOVERNMENT OFFICIALS, PRIVATE SECTOR LEADERS, AND THE PRESS IN AN EFFORT TO BECOME MORE FAMILIAR WITH MOZAMBIQUE AND RAISE AWARENESS OF THE MILLENNIUM CHALLENGE ACCOUNT (MCA). THE MCC DELEGATION ALSO TRAVELED NORTH TO THE PROVINCES OF CABO DELGADO AND NAMPULA, THE GEOGRAPHIC FOCUS OF MOZAMBIQUE'S MCA PROPOSAL. THE VISIT WAS A SUCCESS, AND MOZAMBICANS AND POST LOOK FORWARD TO WORKING WITH MCC STAFF AS EVALUATION OF MOZAMBIQUE'S PROPOSAL CONTINUES. END SUMMARY.
2. (U) MCC CEO PAUL APPLGARTH TRAVELED TO MOZAMBIQUE OCTOBER 20-24 WITH MCC VICE PRESIDENT JOHN HEWKO, SENIOR ADVISOR MAUREEN HARRINGTON, AND PRESS OFFICER KRISTEN HERING. THE TEAM'S VISIT INCLUDED MEETINGS AND SITE VISITS IN AND AROUND MAPUTO AND AN OVERNIGHT TRIP TO THE NORTHERN PROVINCES OF CABO DELGADO AND NAMPULA. MCA TECHNICAL GROUP CHAIR IN THE MINISTRY OF PLAN AND FINANCE, PEDRO COUTO, AND THE GROUP'S PRIVATE SECTOR REPRESENTATIVE, SERGIO CHITARA, ACCOMPANIED THE TEAM ON THE TRIP NORTH.
3. (U) THE MCA TECHNICAL GROUP HAD TASKED CHITARA, EXECUTIVE DIRECTOR OF THE CTA - THE CONFEDERATION OF MOZAMBICAN BUSINESS ASSOCIATIONS, WHICH IS THE PREEMINENT BUSINESS GROUP IN MOZAMBIQUE - WITH PRIMARY DRAFTING RESPONSIBILITIES FOR MOZAMBIQUE'S MCA PROPOSAL. MOZAMBIQUE SUBMITTED ITS PROPOSAL O/A 23 SEPTEMBER. THE PROGRAM DETAILED IN THE DOCUMENT IS FOCUSED ON INFRASTRUCTURE, AGRICULTURE/AGRIBUSINESS, AND TOURISM IN THE NORTH, PRIMARILY IN THE PROVINCES OF CABO DELGADO, NIASA, AND NAMPULA WITH A SECTION OF NORTHERN ZAMBEZIA.
4. (SBU) THE MCC DELEGATION'S VISIT COINCIDED WITH THE FIRST WEEK OF THE CAMPAIGN PERIOD FOR WHAT PROMISE TO BE HISTORIC NATIONAL ELECTIONS. PRESIDENT CHISSANO'S AGREEMENT TO MEET WITH THE DELEGATION DURING THIS TIME REFLECTS THE IMPORTANCE THE MOZAMBICAN GOVERNMENT PLACES ON THE MCA AND HIS PERSONAL SUPPORT FOR ITS PRINCIPLES. BECAUSE MOST SENIOR MEMBERS OF THE GRM WERE IN THE PROVINCES CAMPAIGNING, THE ONLY OTHER MEETINGS WITH GOVERNMENT LEADERS WERE WITH MINISTER OF TOURISM SUMBANA AND GOVERNOR JOSE PACHECO OF CABO DELGADO PROVINCE.
5. (SBU) IN THE MEETING, PRESIDENT CHISSANO EXPRESSED HIS STRONG SUPPORT FOR THE MCA AND SHOWED HIMSELF TO BE WELL-BRIEFED ON THE SUBJECT. CEO APPLGARTH COMPLIMENTED CHISSANO FOR IMPLEMENTING THE POLICIES THAT HAD ENABLED MOZAMBIQUE TO QUALIFY. CHISSANO SAID HE BELIEVED STRONGLY IN THE IDEAS BEHIND THE MCA AND INTENDED TO CONTINUE HELPING MOZAMBIQUE MAKE PROGRESS IN EACH OF THE MILLENNIUM DEVELOPMENT GOALS AFTER LEAVING OFFICE IN A FEW MONTHS. CEO APPLGARTH CONFIRMED THAT MOZAMBIQUE'S NATIONAL ELECTIONS (1-2 DECEMBER) WOULD PLAY A ROLE IN MCC CONSIDERATION OF MOZAMBIQUE FOR FY05 ELIGIBILITY AND FUNDING, NOTING THAT MOZAMBIQUE NEEDED TO DEMONSTRATE FULLY TO ALL THAT THE ELECTIONS WERE TRANSPARENT. (COMMENT: THIS WAS A REFERENCE TO THE ONGOING DISPUTE BETWEEN THE EU AND THE NATIONAL ELECTIONS COMMISSION OVER ELECTION OBSERVER ACCESS TO PROVINCIAL AND NATIONAL-LEVEL VOTE COUNTING. END COMMENT.)
6. (U) THE MEETING WITH PRESIDENT CHISSANO WAS ONLY ONE OF THE HIGHLIGHTS OF THE VISIT. OTHERS

INCLUDED:

-- MINISTER OF TOURISM FERNANDO SUMBANA. THE MINISTER MET WITH THE TEAM PRIOR TO THEIR DEPARTURE FOR THE NORTH. HE DESCRIBED MOZAMBIQUE'S TOURISM STRATEGY AND EXPRESSED HIS PLEASURE THAT MOZAMBIQUE'S MCA PROPOSAL INCLUDED THE TOURISM SECTOR AND RELATED INFRASTRUCTURE PROJECTS. HE ALSO ATTENDED A DINNER IN CEO APPELGARTH'S HONOR HOSTED BY THE AMBASSADOR.

-- PRIVATE SECTOR. THE TEAM DISCUSSED THE POTENTIAL FOR AND CONSTRAINTS TO POVERTY-REDUCING ECONOMIC GROWTH IN MOZAMBIQUE WITH INDIVIDUALS REPRESENTING THE PRIVATE SECTOR IN A VARIETY OF SETTINGS: A MEETING IN MAPUTO WITH MEMBERS OF CTA'S INFORMAL "STEERING COMMITTEE" FOR THE PROPOSAL; THE DINNER HOSTED BY AMBASSADOR LA LIME; A LUNCH IN MAPUTO; A DINNER IN PEMBA THAT INCLUDED THE GOVERNOR OF CABO DELGADO; AND LUNCH ON ILHA DE MOZAMBIQUE. PARTICIPANTS FOR THESE EVENTS INCLUDED MEMBERS OF CTA'S LEADERSHIP AND REPRESENTATIVES FROM BUSINESS SECTORS SUCH AS AGRICULTURE/AGRIBUSINESS, TOURISM (INCLUDING GAME RESERVES), AQUACULTURE, BANKING, LAW, AND PRIVATE CONSULTING.

-- DONORS. DURING A DONOR BREAKFAST, CEO APPELGARTH NOTED THE MCC'S WILLINGNESS TO WORK WITH OTHER DONORS, INCLUDING POSSIBLY CO-FUNDING OTHER DONOR PROGRAMS.

-- SITE VISITS. ALL OF THE SITE VISITS WERE TIED IN SOME WAY TO MOZAMBIQUE'S PROPOSAL AND OFFERED THE TEAM INSIGHT INTO THE PROPOSED PROGRAM'S OPPORTUNITIES AND CONSTRAINTS. WHILE IN THE NORTH, THE TEAM VISITED TWO OF MOZAMBIQUE'S POSSIBLE TOURISM DESTINATIONS, IBO ISLAND AND ILHA DE MOZAMBIQUE. ALSO ON THE AGENDA WAS A TOUR OF NACALA PORT AND AIRPORT - THE PORT IS PROPOSED AS THE SITE OF AN EXPORT PROCESSING ZONE, AND THE AIRPORT IS ONE OF SEVERAL AIRSTRIPS SLATED FOR UPGRADES - AND A VISIT TO THE MIRANDA CASHEW PROCESSING PLANT. WHILE IN MAPUTO, THE TEAM TOURED MAPUTO PORT, AND HEWKO AND HARRINGTON VISITED CITRUM, A CITRUS FARM THAT, LIKE MIRANDA, IS EXPORTING TO EUROPEAN AND OTHER MARKETS.

-- PRESS EVENTS. POST ARRANGED A NUMBER OF PRESS EVENTS DURING THE VISIT. A PHOTOGRAPHER FROM THE PORTUGUESE-LANGUAGE ECONOMIC MONTHLY "TEMPO" ACCOMPANIED THE TEAM ON THE TRIP NORTH. ON THE EVENING OF 21 OCTOBER, THE INDEPENDENT TELEVISION CHANNEL STV AIRED NINETEEN MINUTES OF A ONE-ON-ONE INTERVIEW WITH CEO APPELGARTH DURING ITS WEEKLY BUSINESS ROUNDUP "ECONOMIC PERSPECTIVES." THE CONTENT INCLUDED AN EXPLANATION OF THE MCC, THE PURPOSE OF THE VISIT, AND ELIGIBILITY AND FUNDING CRITERIA. THE PROGRAM HAS A LARGE LEAD-IN AUDIENCE AND TARGETS THE PRIVATE SECTOR AND MIDDLE CLASS. CEO APPELGARTH HELD A BREAKFAST WITH SEVERAL JOURNALISTS ON OCTOBER 24 AND LATER GAVE A FOLLOW-UP INTERVIEW TO STV. STATE TELEVISION (TVM) INCLUDED COVERAGE OF THE TEAM'S VISIT TO NAMPULA PROVINCE, AIRING A BRIEF INTERVIEW DURING THE TOUR OF THE MIRANDA CASHEW PLANT.

-- POST Q AND A. A STAFF BRIEFING FOR THE TEAM EVOLVED INTO A QUESTION AND ANSWER SESSION THAT WAS CONTINUED LATER ON THE FIRST DAY OF THE VISIT AT CEO APPELGARTH'S REQUEST. THIS ADDED GREATLY TO POST'S UNDERSTANDING OF MCC ISSUES.

17. (U) COMMENT: CEO APPELGARTH SUCCEEDED IN INCREASING MCC FAMILIARIZATION WITH MOZAMBIQUE, BROADENING MOZAMBICANS' UNDERSTANDING OF THE MCA AND MCC, AND RAISING PUBLIC AWARENESS OF THE COUNTRY'S PROPOSAL. MOZAMBICANS AND POST LOOK FORWARD TO WORKING WITH MCC STAFF AS EVALUATION OF MOZAMBIQUE'S PROPOSAL CONTINUES. END COMMENT.

LA LIME